2:Purcell G-4 (no date) 1951 AL1 Southeast Asia AL1
Chinese

incomes by work at home or in local workshops. The drawn-thread and embroidery work engaged in by the girls and middle-aged women in their spare time earned them about twenty cents a day per person. Others wove cloth at small weaving-shops or sewed in tailors'-shops, earning about thirty cents a day. None of these occupations were, in fact, particularly remunerative. Older women were engaged in making joss-paper or in knitting fishing-nets. Apart from farming and trade, the men were engaged in relatively few occupations—there were coolies, barbers, carpenters, school-teachers, and fishermen.

We come now to the subject of remittances from the Nanyang regarding which there has been much conflicting evidence. No satisfactory estimate of these remittances has been made for South-east Asia as a whole, and in any case their value has varied greatly with the fluctuation in trade.[1] There had been a time when the ownership of a few rubber-trees had meant affluence, when Chinese importers in the Nanyang could undersell those of all other nationalities and still make a large profit, 'and when they had the native peasants so under control through indebtedness that they could sell them almost anything at any price'.[2]

There had been times when labour was so scarce that Chinese coolies could in a few years accumulate savings enough to start in business, and when employees of Chinese retailers could force up wages to the point where it was more economical for the employer to take them in as partners. But by 1935 all this had changed. New immigration restrictions, motivated by the depression, had cut large numbers of Chinese labourers off from labour opportunities abroad while, at the same time, life had become, perhaps, a little more secure in this time of general débâcle for a certain privileged few—for example, the small retail traders already established in the Nanyang who had less competition to meet from their countrymen and who could circumvent the new head tax on males by bringing women and children from China to take the place of male assistants.

(This investigation, we must remember, dates from a time when Southeast Asia was only just beginning to recover from the trade depression of 1929–32.)

[1] In 1941 about SS $10 million was remitted to China from Malaya, but there is nothing to indicate how much of this was in the ordinary way of trade.

[2] This is placed in quotation marks to indicate that it represents the views of Dr Ta Chen.

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After Burma, the Indians in Southeast Asia are most numerous in Malaya, though here their numbers have dropped from 744,000 in 1941 to 600,000 in 1947. The great majority of them are Tamil labourers on the rubber estates, but there is also a considerable community of merchants and chetties who are the money-lenders of Malaya, lawyers, &c. The Sikhs number a few thousands and are agriculturists as well as watchmen and the like. Before the war Sikhs were more numerous in the Malayan Police than they had become by 1949. They made themselves exceedingly unpopular with the Chinese during the Japanese occupation.

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In recent times Indian public opinion has been exceedingly critical of Indian emigration to Southeast Asia in the form of unskilled labour, alleging unfair conditions. The Indian Emigration Act of 1922 was amended in 1938 to give the Government of India power to prohibit even unassisted emigration (assisted emigration was that which took the place of indentured labour) for the purpose of unskilled work. The result has been the virtual drying-up of India as a source of supply for labour, and many Indians have also returned to their homes. During the Japanese occupation casualties among Tamils were especially heavy. But now that India is independent her policy may develop on different lines—the economic pressure of population on her soil may tend to make her less critical of emigration, and as the most powerful State in the Southeast Asia area she may find it expedient to resort to something like the pre-war 'imperialism' which the party now in power in India was, during its period in the wilderness, so concerned to condemn. But the whole turn of events in Southeast Asia is bound to be profoundly affected by the success of the Communists in China, and in the attempts to oppose or to compromise with them India is bound to be a factor of the greatest importance.

that about one-third of its prewar estate area was being tapped in 1947, representing two-thirds of the area tappable.

In the food crops, surplus margins were more slowly restored. Exports of Southeast Asia rice totalled about a million tons during 1946, as against a combined export of 5.7 million tons annually for 1936–40. The drop in production of this staple was greatest in the case of Burma because there the dislocation by war had been greatest, but by the 1946–47 season, about two-thirds of Lower Burma rice acreages were back in cultivation, as against half in 1945–46. In Cochinchina over 70 per cent of the rice area was being cultivated in 1946–47. Siam which was untouched by military campaigns reported 10.6 million acres under cultivation in rice for 1946–47 (22 per cent more than 1939–40)—the only territory to show a substantial increase of rice acreage in the immediate postwar years.

A postwar feature has been the general decline in rice yields, mostly an effect of loss of draught cattle, though to report low yields was a convenient cover for black market sales. The consequence of lost production in local food was felt more in places like Malaya which has specialised in non-food commercial agriculture, than in any other territories of Asia, which customarily needed to import only a small margin and not the majority of their rice. For the Philippines in 1947, the United Nations reported that *per capita* consumption of rice was actually higher than in 1939 by about 5 per cent.

Since labour shortage has been prominent as a factor operating against postwar commercial agriculture, the subsistence farmer and the diversified smallholder have assumed far greater significance than before. Over 55 per cent of Malaya's rubber production for 1946 was from smallholders, a proportion which had been as much as 85 per cent in the early months of that year, yet fell to 45 per cent in 1950 (cf. 39 per cent in 1940).

The vegetable oils soon came back into production and by early 1947 monthly production in Southeast Asia was not far short of 1941 production and now exceeds it.

The general lowering of food acreages and of yields, combined with the enforced reversion to subsistence agricultural forms, has a special significance for Southeast Asia food supplies over the next few years, because the restricted food supply comes at a time when population is rapidly increasing, at the rate of about 20

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316 439 to the rest of the world. Iron ore and bauxite occur in large quantities, but without location convenient to the power needed to develop them. Gold has had special significance in Philippines mining, yet though found at many points, it ranks low for the region as a whole. Both tin and petroleum give rise to processing industries of smelting and refining which take place close to the streams of international traffic, particularly associated with Singapore and Penang. They play little part in local life, employ few people and go on at isolated points.

These mineral industries (which employed less than 250,000 persons before 1941) suffered from the war both by destruction in denial action and by neglect, so that they practically started anew from 1945. Whether they will all return to their prewar status remains to be seen. Southeast Asia provides the most prolific source of petroleum accessible to the Indian and Far Eastern markets and the wells are rapidly re-opening under the international oil groups which own them (output 1949, 9.0 million tons). Tin is coming back into production again more slowly because it needs more capital equipment such as pumps and dredges, which cannot be readily obtained, and there are some doubts whether world need for tin is likely to continue as great as before. The length of life of Malayan tin mines, the main prewar source, has been questioned, yet the little-known islands just south of Malaya are thought to contain extensive deposits of untouched tin likely to come into production in due course, though carefully screened for the time being from prospectors by local authorities. By 1950 the total tin output of Southeast Asia was about 99,000 tons.

Labour and Power for Industrialisation

464 Whether intensified industrialisation of Southeast Asia on the basis of these minerals is possible, turns upon two factors. Labour continues to be scarce; many prewar mining labourers dispersed during the war years when mining stagnated, and any immediate diversion of labour from agriculture to mining, even if possible under the tight ecology of the prevailing subsistence farming, is likely to prejudice local food supplies which depend basically on hand-grown rice.

316 Furthermore, Southeast Asia has limited sources of mechanical power, a factor not only of consideration regarding expansion of

7: Furnivall G-4, 5 (no date) 1948 ALl Southeast Asia ALl

433 business lines. Men lose their land for debt and work as tenants, and the tenant who can live most cheaply can pay the highest rent, so that a larger portion of the surplus is available for the purchase of foreign goods. Caste in India has been of no avail to protect the cultivator against this process. Irrigation works, undertaken in the name of welfare, serve merely to expedite insolvency. In the Canal colonies of the Punjab, we are told, there is 'a high standard of rural prosperity', but this has tended to 'increase the mass of debt...moreover the debt is largely unproductive; little of it is incurred for land improvement. The moneylender is not in the least concerned with the purpose of a loan; his policy is to entangle the debtor to an extent that will leave him with just enough of the produce of his labour for the bare subsistence of himself and his family.'[1] But it is nonsense to blame the moneylender. A moneylender who did not work on business lines would soon be in the miserable position of the cultivator. The whole process illustrates the unrestricted working of economic forces, largely impersonal; and exporters, importers and bankers alike are all involved in it. In Lower Burma, as we have seen, the whole agricultural system has been 'industrialized', so as to produce the maximum net yield from land supporting only the minimum population requisite to produce that yield. But Lower Burma is exceptional only as an extreme instance of agricultural development under free competition in a tropical region, newly opened up among a people where custom does not exert the binding force of caste. Agricultural debt and the alienation of land are common to tropical dependencies in general. Even in some of the newer dependencies in Africa, debt has already assumed formidable proportions,[2] and, as conditions there have some resemblance to those of Lower Burma, one may expect future development to follow a like course. Ordinarily, economic development links up the cultivator with exporter, importer and banker through middlemen who absorb a portion of the profits, and the next stage in its working, after the cultivator has been reduced to penury, is the elimination of the middleman. This usually involves some measure of Government control over development, and appears as one of the early stages in the transition from a policy of *laissez-faire* to one of construction.

• 464 Economic forces react on individual welfare in yet another way. By stimulating the concentration of production on a few export crops, they enable the people to buy more imported goods. These compete

[1] *ISC*, I. 275. [2] *Britain and Her Dependencies*, p. 25.

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more or less directly with local manufactures, and create unemployment among artisans and craftsmen. Some of these find employment in agriculture, and the enlarged supply of labour tends to reduce agricultural wages and to lower the cost of trade crops to the exporter, but to the prejudice of the agricultural labourer. For various reasons many will be unable to turn to agriculture and will be left without employment. Where, as in Lower Burma, agriculture develops along industrial lines, there grows up a mass of part-time labour, unable to find employment for about half of the year and with no other source of livelihood but crime. Thus the free action of economic forces tends to create unemployment and under-employment.

One feature of the encouragement of native enterprise in cultivation for export is the introduction of the rule of law. The rule of law is a foundation stone of western freedom, and should provide a far more secure basis for society than the rule of personal authority. But this is true only where the law is an expression of social will; in a tropical dependency it expresses the will of the colonial power, and is an instrument of economic development. The rule of law becomes in effect the rule of economic law. The ideas embodied in the western law of property and contract are foreign to the tropics. Even attempts to apply local law, or to embody local custom in legal codes, must fail if made in western courts according to western procedure by lawyers who, as was said formerly in Java, 'look on native law as a doctor looks on native medicine'.[1] Unwritten custom changes its character when formalized in law and legal decisions, and we have noticed how 'Buddhist law' has been applied in Burma. In India, Elphinstone remarked that Hindu law was 'as a whole beyond the knowledge of perhaps the most learned pundit, and every part beyond the knowledge of the people who live under it. . . . The uncertainty of decisions obtained from such sources must be obvious, especially when required for the guidance of a foreign judge both to the written law and to the usage which supplies its place.'[2] Indigenous law or custom administered in a foreign court is no less foreign than law proceeding directly from a foreign ruler. In either case one result is the encouragement of disputes and litigation, because people can appeal against the custom that all know to the law which no one knows. Law encroaches on custom, and the decay of custom encourages the resort to litigation. Moreover, as is notorious, for reasons already

[1] *Netherlands India*, p. 218. [2] Cotton, p. 182.

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long after the surrounding land had been brought under the plough by natives. That seems to be the general result. In Netherlands India the large estates, created at the beginning of the nineteenth century, were an endless source of trouble and unrest; much of the land long remained unworked, the owners were often absentees, aiming solely at profit and with no personal interest in the welfare of the occupants who were more grievously oppressed than elsewhere. Moreover, the grants tended to pass into the hands of foreign Europeans and orientals, and during the present century this stimulated the Government to adopt a policy of gradually resuming them. In Africa the difficulties arising out of western agricultural settlements are notorious, and European settlers, when faced by even a remote prospect of their eventual displacement by foreign orientals, have carried opposition to the point of threatening armed resistance.[1] The possibility of European settlement in the tropics, however, is confined to particular localities, and it presents, though with special characters, features common to development by western enterprise in general. The outstanding problem in regions developed by western enterprise is not directly concerned with land-holding and debt, but with the relations between western enterprise and native labour.

The first condition of the economic development of backward areas is an adequate supply of labour. Even native enterprise creates a new demand for labour, and we have seen in Burma how this demand has led to a seasonal supply and to the industrialization of agricultural production. But the expansion of native enterprise is gradual, and it can obtain much of its labour from customary sources and dispose of its produce along established routes. Western enterprise, whether in mines or plantations, being usually situated in thinly peopled tracts, requires a large volume of labour quickly, and also requires new and more rapid means of transport; there is a sudden and large demand for labour both on private enterprise and public works. The Government must provide this labour. The provision of labour is no longer necessary when free labour becomes available, but free labour needs protection. Then, as employers gradually realize that healthy and intelligent labour is less costly, attention is directed to improving the conditions of work. Thus in general, labour policy in tropical dependencies passes through three stages: the provision of labour; the protection of labour against abuse; and the promotion of labour welfare.

[1] *African Survey*, p. 165.

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466 464 *The Provision of Labour.* The provision of labour by Government might seem to come under the head of economic rather than of social service. But, so long as it is necessary, it is usually regarded, not wholly without justification, as an instrument of welfare. 'To pierce the darkness shrouding entire populations in Africa', said Leopold II in 1876, 'would be a crusade worthy of this century of progress.'[1] At the beginning of the present century Chamberlain was a leading champion of this crusade. The native would not advance in civilization until he had been 'convinced of the necessity and dignity of labour'...'I think it is a good thing' he said, 'for the native to be industrious, and by every means in our power we have to teach them to work.'[2] For a quarter of a century this remained the keynote of British labour policy in the tropics. Even sympathetic officials acquiesced in compulsion, 'in the genuine belief that no advancement was possible unless the native accustomed himself to regular labour', and officers charged with a special care for native welfare have urged the educational value of compulsory labour on European enterprises.[3] It is true that, if tropical peoples are to live in the modern world, they must adapt themselves to the modern world. But it is true also that the use of compulsion to provide labour engenders abuse, and that the labour it provides is inefficient. It is pressed furthest and is most harmful where the Government has an economic interest in production, and in the Belgian Congo, as in the later days of the Culture system in Java, the use of compulsion to obtain labour defeated its own ends by killing off the supply of labourers.[4] General experience has shown that compulsion tends to reduce the labour supply and to furnish incompetent and unwilling labourers, yet employers, accustomed to obtaining labour through the State, prefer this easy though inefficient way of meeting their requirements and, long after the provision of labour has become unnecessary, continue to urge the educational value of labour as an argument for Government assistance in recruiting it. Now, however, that compulsion is no longer needed, it is condemned as generally as it was formerly supported. But the fact that, so long as compulsion was thought expedient, it was justified, like slavery, as an instrument of welfare suggests the need for cautious examination of measures now recommended on the same ground.

[1] MacDorell, J. de C., *King Leopold II* (1905), p. 184.
[2] Boulger, D. C., *The Reign of Leopold II* (1925), II, 121.
[3] *African Survey*, pp. 640ff. Frankel, p. 37.

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Official activity in the provision of labour assumes various forms; it embraces compulsion, direct and indirect, the recruitment of labour by the Government or with official support, and the inclusion of a penal sanction in labour contracts. Under all these heads much may be learned from Netherlands India, where the provision of labour for development by western enterprise dates from the beginning of the nineteenth century.

Direct compulsion has been little used except to provide labour for the State. At various times compulsion has been employed to recruit men for State economic enterprise, for the army and, chiefly, for public works. Where, as in Java under the Culture system and in Africa under the chartered companies, the Government is at once sovereign and merchant, it is naturally tempted to use political control for the advancement of its economic interests, and is not too rigid in restricting compulsory labour to purely administrative purposes.[1] The Culture system in Java is the classic example of compulsion on State enterprise. Van den Bosch justified compulsion on the ground that it would instil habits of industry among the people and, by increasing production, would enable them to earn more. For a time they did in fact make more money, but within a few years a series of famines devastated the tracts that were richest in natural resources, and the people, instead of being inured to industry, acquired the habit of working only under compulsion. Moreover, the system was inefficient because the officials charged with supervising production had not sufficient knowledge either of agriculture or of the people. What killed it, however, was neither its harshness nor its inefficiency, but the growth of private enterprise, and, when private enterprise was ready to take over production, public opinion was quick to appreciate the defects of State enterprise. The system was advocated as an instrument of welfare, it was applied as an instrument of progress, and finally condemned as both pernicious to native welfare and a barrier to progress. The compulsory recruitment of tropical peoples for military service has also been found uneconomic. Only a small proportion can stand the rigour of modern army life, and the withdrawal of large numbers from the labour market conflicts with the demands of private enterprise; 'in view of the shortage of men for internal development such a utilization of man-power would have the effect of economic self-annihilation'.[2]

[1] *African Survey*, p. 1314.

[2] *Ib.* pp. 627, 1121.

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466 464 Ordinarily then, the main use of compulsory labour has been on public works. Throughout the tropics it was formerly the practice under native rule to obtain such labour as might be required for the common purposes of the tribe or village, or for the chieftains or the State, by calling on the people to supply it. 'It was perhaps natural that the early administrations should see in the use of this "communal" labour an easy method by which to provide for the making of roads or for the transport necessary for official purposes. It became, indeed, the usual method of securing labour for official or public needs.'[1] In Burma and other lands developed by native enterprise, compulsory labour was soon abandoned as interfering too greatly with cultivation. But in Java, as in other countries developed by western enterprise, it has been freely employed. One limitation on its use is the difficulty of securing by compulsion the volume of labour required for large capital works. In Java paid labour was first used on the harbour and defence works in Sourabaya in 1849, when modern Liberal ideas were in the air. It was found so much more efficient and economical that, in 1851, the use of paid labour on all public buildings was enjoined, and in 1857 this order was extended to all public works. In practice, however, it was still used to some extent, especially on irrigation works. Meanwhile Liberal sentiment in favour of free labour was gathering momentum, and was reinforced by the practical consideration that the use of compulsory labour on public works reduced the supply available for the rapidly growing demands of private enterprise. Attempts to restrict labour for the State to seasons when it was not required by private employers proved unsatisfactory, and at the end of the century the system of compulsion was abolished.

Experience during the nineteenth century in Java has been repeated during the present century in Africa. The various administrations used 'communal' labour for local road construction and also needed labour for other purposes, 'such as the construction of railways, or major roads for long distance transport, which were outside the range of even an extended definition of communal labour, more especially since they at times involved the absence of labourers from their homes for considerable periods'.[2] Imported labour was expensive, and the more costly because so many died. Ordinarily, for the improvement of communications, the use of impressed African labour was imperative, and was justified as a moral discipline and a source

[1] *African Survey*, p. 612. [2] *Ib.* p. 613.

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of future welfare. During the present century, under Dutch rule also, compulsory labour, though no longer necessary in Java, was freely used in the Outer Provinces as part of the Ethical policy of promoting native welfare; 'without strong rule, without order and security, no ethical policy'.[1] Compulsion was indeed used so freely as to provoke disorder and unrest. Of recent years, however, throughout tropical regions in general, there has been less need for direct compulsion to procure labour for public works, and now it is generally regarded with disfavour as both prejudicial to social welfare and also uneconomic.[2]

Although direct compulsion has been used chiefly for the State, indirect compulsion has frequently been adopted as a means of providing labour for private employment. The usual methods have been by the restriction of natives to reserves and by taxation. Both these expedients tend to reduce the supply of labour. The curtailment of native land discourages the growth of population, and taxation encourages migration. There are technical difficulties in imposing differential rates of taxation and 'the effect of a rigid flat rate is to drive the taxpaying male population to industrial and urban centres, and consequently to disorganize native society to such an extent that, on several occasions, governments have felt obliged to reduce the amount to be paid by men who are without resources other than their labour'. Moreover, men who are compelled to work merely in order to pay the tax, stop work as soon as they have earned enough to pay it, and they fail therefore to acquire efficiency as labourers. Experience shows that 'the shopkeeper probably provides a far greater incentive than the tax-gatherer'.[3] Indirect compulsion tends accordingly to follow direct compulsion into desuetude.

Compulsion, direct or indirect, is however less effective in providing a supply of labour than the employment of a special recruiting agency. In this, as in other problems, Netherlands India has led the way. Labour for private enterprise may be recruited by the State, either directly or through native chieftains, or by unofficial agents, with or without State assistance. Recruitment is often distinguished from compulsion, but 'a State agency for recruitment inevitably involves some degree of pressure', and is open to many of the objections brought against other forms of compulsion.[4] From the standpoint of employers, moreover, State intervention is undesirable as

[1] Gonggrijp, cited *Netherlands India*, p. 237.
[2] *African Survey*, p. 628.
[3] *Ib.* pp. 596, 648.
[4] *Ib.* p. 651.

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it is usually accompanied by unwelcome restrictions on the terms and conditions of employment. It was on these grounds that the Government of Burma formerly rejected proposals that it should revive the former practice of official recruitment, and fifty years later mill-owners protested against suggestions that the recruitment of labour should be supervised.[1] Even where recruitment is nominally free, private employers may utilize the assistance of native chieftains, and, during the Liberal regime in Java, when officials were no longer allowed to take part in the provision of labour, the planters commonly entered village headmen on the pay roll as servants of the estate in order to secure their influence in recruiting villagers. Usually, however, labour for western enterprise must be imported from some distant region where it is more plentiful, and in such circumstances special arrangements for recruiting are required. Naturally a private agent, dependent for his livelihood on the number of recruits, is less scrupulous than an official in his relations with both employers and labourers; he will supply employers with anyone whom they will take, and entice recruits with advances and specious promises. Although the substitution of private for official recruitment may supply more and cheaper labour, it is in some respects a change for the worse; the supply of labour is doubtful, the men engaged are often immature or weaklings, and the cost per head is high. Moreover, recruitment causes a local shortage in the area of supply; recruitment for South Africa causes a shortage in Rhodesia which has to be made good by recruitment for Rhodesia further inland, and so on.[2] This stimulates opposition among employers to the system of recruitment. Firms with large capital resources can make their own arrangements for obtaining labour, and thereby ensure a more regular supply of better labourers at less expense. Accordingly the strongest firms, best able to influence the policy of Government, add their weight to humanitarian protests against the evil of recruitment, and advocate stringent regulation.

The question of recruitment is closely linked up with the penal sanction, imposing a legal penalty for the breach of labour contracts. This protects the employer against strikes and desertion, and thereby reacts on the demand for labour. In Java such provisions originated in local police regulations dating from 1829, which were designed to ease the transition from servile to free labour in domestic service.

[1] *RAB*, 1880–1, p. 52; *RCLI*, x, Pt 1, p. 173.
[2] *African Survey*, pp. 648ff.

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464 686

When similar provisions were embodied in the General Police Regulation of 1872, they attracted the attention of Liberals in the States-General, who obtained their cancellation in 1879. In Java the penal sanction was no longer required as there was by this time an abundant supply of wage labour, but the new tobacco plantations in Sumatra were dependent on labour imported under contract, and their needs were recognized by an Ordinance of 1880, providing for the imposition of penalties. The facilities thus granted were abused, and about 1900 an enquiry, held as the result of Socialist agitation exposed 'a general collapse of morality'.[1] An attempt to mend conditions by stricter enforcement of the law proved unavailing, as the legal effect of the penal sanction favoured employers. Accordingly labour policy, hitherto directed towards providing labour, turned gradually in the direction of protecting it. The means chiefly favoured were a closer supervision over recruitment, the gradual abolition of the penal sanction, and a more precise regulation of the duties of employers and employees, together with machinery for enforcing the regulations. The change may be dated from 1909 when official agents were appointed to recruit Chinese coolies from abroad, and rules were framed to control professional recruiting in Java. As the Government considered a penal sanction necessary to efficient management even on its own tin mines, its abolition was a slow process. But the closer supervision over private recruiting encouraged employers to take the matter into their own hands, and from 1915 various planters' associations established recruiting agencies. Employers came also to recognize the value of trained and voluntary labour; they tried to induce time-expired coolies to return for a further period of service after recruiting friends and followers in their villages. In this way plantation labour assumed a new character. By 1930 it was no longer mostly alien, temporary and recruited by irresponsible recruiting agents, but much of the labour was Javanese and exempt from penal liabilities, and the relations between employer and employed had become more permanent and human. A new Ordinance of 1931 aimed at encouraging these tendencies, and provided among other matters for a gradually increasing minimum of free labour, engaged on contracts without a penal sanction. Almost at the same time the Blaine amendment to the United States Tariff Law of 1930 prohibited the importation of the products of labour employed under a penal sanction, unless otherwise unobtainable in sufficient quantities. This threatened the

[1] *Netherlands India*, p. 354; Vandenbosch, p. 282.

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464 686 Sumatra tobacco planters with the loss of a valuable market, and they announced their intention of recruiting all labour on a voluntary basis. As a moral gesture this was not very convincing since, owing to the depression, there was a surplus of labour on the estates, but it served the purpose of satisfying the customs regulations of the United States. At the same time, penal provisions were also renounced by Government in respect of the coolies, mostly Chinese, on its tin mines. Thanks to the Blaine amendment and the depression, the results attained under the Ordinance of 1931 were greater than had been contemplated and, when it came up for revision in 1936, a further advance was possible. By 1941, the penal sanction had practically disappeared, and on the revision of the Ordinance in that year it was finally abolished.[1]

In British India, where western enterprise has never been of such predominant importance as in Netherlands India, the Workman's Breach of Contract Act was repealed in 1926. But in most British territories in Africa, western enterprise is influential, and penal sanctions are attached to labour offences; though legislation of this type is less conspicuous in West Africa. The accepted view is that 'the complete disappearance of criminal penalties must await the evolution of social and economic conditions which will replace the sanctions which penalties supply'.[2] Conditions are less favourable for its abolition than in Netherlands India, but possibly a stimulus, such as that applied by the United States tariff to tobacco planters in Sumatra, might expedite the process.

466 But the abolition of the penal sanction need not, and ordinarily does not, improve the position of the labourer. Just as free recruitment needs regulation if it is not to lead to worse abuses than official recruitment, so free labour, unless protected, may be worse off than contract labour. The social and economic conditions which obviate the need for any legal sanction replace it by a more stringent economic sanction, for the legal sanction becomes unnecessary when the supply of labour is in excess of the demand. Javanese coolies working in Sumatra felt safer under a contract, even when it exposed them to penalties, than when working as free labourers. In Netherlands India it was the Blaine amendment that stimulated the tobacco planters to employ free labour, but their example was followed generally because, owing to the labour surplus resulting from the depression, employers 'were able, easily, and with a certain profit to themselves, to make

[1] *Vrij Nederland*, 22 Nov. 1941. [2] *African Survey*, pp. 659, 664.

7: Janlekha X-4,5 (1948-1953) 1956 AO7 Central Thai
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563 foreign army of occupation has preserved it from disruption.
565 The essential and distinctive character of a plural society
433 is that it is dominated by economic forces, and, outside a
591 few partly sheltered oases, Southeast Asia illustrates the capitalist system in its purest form.[18]

162 Another common feature is the dominance of the agri-
171 cultural section of the population. The latest available
433 figures show the percentage proportions of population dependent
171 on agriculture in the area as follows: Burma, 68; Indonesia, 66; Philippines, 69; Thailand, 85.[19] The same source indicates the proportions for various regions of the world as follows: North America, 20; Oceania, 30; Europe, 33; South America, 60; Asia, 70; and Africa, 74.

171 With the prevailing techniques of production and the
433 consequent low productivity per man, dominance of agriculture
434 means low per capita national income. When countries are grouped by level of economic development on the basis of per capita national income as of 1950, all the six countries of Southeast Asia -- Burma, Indo-China, Indonesia, Malaya, Philippines, and Thailand -- fall in the underdeveloped
443 group.[20] Moreover, there is in Southeast Asia a true surplus
464 population on the land in the sense that even under the
161 present methods of cultivation a sizeable fraction of the

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18. Ibid., p. 77.

19. Food and Agriculture Organization, 1953 Yearbook, Vol. VII.

20. Eugene Staley, The Future of Underdeveloped Countries (New York: Harper & Brothers, 1954), pp. 16-17.

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man-power could be removed without significantly reducing food output. Under this circumstance, not only the productivity of agriculture but also the opportunity for urban industry to grow and flourish is hampered. A major obstacle to development of efficient manufacturing in underdeveloped countries is the small size of the market, which is in turn a consequence of the low purchasing power of the bulk of the people, most of whom get their living from the land.[21]

Southeast Asia has been characterized by its rapid growth in population. Broadly speaking, the region has been until recently one of very thin population. It seems probable that the whole of Southeast Asia in 1800 contained only about ten million people. Malaya then contained about a quarter million people, Java about four million, and Burma probably less than two million. It was, even at the end of the 18th century, a zone of labor shortage. But the last 150 years brought tremendous changes in population. It has been a period of tremendous population increases, causing people to swarm upon the more fertile areas, upon deltas and volcanic cones where people had not clustered before. By the quinquennium 1916-20, the total population of Southeast Asia had become 84 million, by 1936-40, 120 million, and by 1946-50 it was nearly 145 million.[22] This rapid population growth has been a great concern to students in economic

21. Ibid., p. 253.

22. E. H. G. Dobby, Southeast Asia (London: University of London Press Ltd., 1951), p. 386.

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466 legislation, workmen's compensation and the regulation of industrial relations. In Indochina, the Popular Front Government had begun to apply by stages metropolitan French labor legislation to various groups of the workers. In the Indies, between 1940 and 1942 detailed workmen's compensation laws were adopted, the system of employment under penal sanctions was brought to an end, compulsory road labor in the Outer Provinces was abolished, and in Java the whole wage structure was being changed to provide for a general minimum wage for the lowest ranks of workers.

464 Nevertheless, as Miss Thompson states in her first essay, there remained two major labor problems. The labor supply was unsatisfactory and there was no effective labor movement.

Labor migration enabled the employers to meet their immediate needs and in many cases, as between India and Malaya, was well-organized. In the circumstances of much of Southeast Asia, however, it has helped to absorb some of the surplus population rather than to improve living conditions. In times of economic prosperity there was more money in the villages; with the great depression the villages, more dependent on money, were poorer than ever, and those workers who kept their employment saw their wages drop almost or entirely to vanishing point. The skill of the rubber-tapper, the cigarette roller, the batik worker and of other workers in manual operations demanding delicacy of touch was considerable; the industriousness of the Chinese was even excessive; above all, peasant rice production in the wet lands was marked by the fullest use of available resources. But for modern production in industry, labor efficiency was low and in particular the availability of the skilled mechanical worker was in many areas rare and uncertain.

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467 Miss Thompson shows the prewar weakness of the labor movements. In Java, the maximum number of organized workers appears to have been reached in 1941 when the membership of trade unions was estimated at 123,500. In the Philippine Islands, at the end of 1940 the total membership of the registered labor organizations was 96,877, and 190,000 workers were estimated to be organized in unregistered unions. There was little unity or continuity among the unions which existed. The Western governments feared the political interests of the labor movements. The seasonal character of much of the employment, labor migration and, in some cases, the racial diversity of the labor force, were other factors making trade union organization difficult.

000 All these problems still exist. An improved standard of living is one of the essentials for stability in Southeast Asia. Such improvement cannot be effected without economic developments, and although these developments will be hindered by labor which is cheap and inefficient, in the absence of much of the equipment of modern industry it will be long before standards of employment in Southeast Asia are comparable with

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CHAPTER I INTRODUCTION

I

LABOR SUPPLY IN SOUTHEAST ASIA

464 467 TWO MAJOR LABOR PROBLEMS, which have confronted Southeast Asia in the past and which remain unsolved, are the inadequacy and irregularity of labor supply and the dearth of organized labor movements having objectives like those of Occidental labor unions.

464 Except in such overpopulated areas as Java, the Tonkin delta, and Northern Annam, labor is generally inadequate in quantity and in quality to meet the requirements of large-scale enterprise. Where numerically adequate, the labor supply is either poorly distributed in relation to areas of employment or fails to respond to opportunities offered. The industrial development of the entire area suffers from lack of full-time services of skilled laborers. Some of the factory employees form the only stable, trained groups of workers. They comprise a small proportion of the population.

[874 461] Few facilities have existed for the training of skilled workers, and the association in Oriental minds of manual labor with the humblest social classes has limited wage-labor largely to those driven by economic necessity. Handicrafts are carried on principally by agriculturists in their [476] leisure time and by other "non-professionals." Farmers form the bulk of the workers. Only during the slack agricultural season or after a disastrous harvest are they willing to perform labor for others.

464 167 Supplementation of the inadequate labor force has been effected in various ways—some spontaneous, others planned. The starvation conditions chronic in south China and in India have caused emigration of workers to the underpopulated but richer regions of Southeast Asia, whence they usually repatriate their savings and eventually their persons to the home country. With the exception of Burma, which by reason of its geographic and administrative relations with India formed a special category, the prosperity which prevailed at times in Southeast Asia was less a factor in stimulating this flow than were conditions in the homeland.

Accelerated by the boom in plantation industries during the early

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years of the present century, the flow of immigration has been large and comparatively steady except during the depression and the two world wars. Chinese and Indian immigrants usually could better their position soon after arrival because their industry and organization were superior to those of the indigenous peoples. Partly because of this, there were constantly new arrivals willing to do coolie work until they too could rise economically. Except for the large-scale repatriations to China and India caused by the depression, the flow of labor thus set into motion was adequate for the economy prevailing in the underpopulated areas until changing conditions created a growing class of landless proletariat and dissatisfaction among both the indigenous and immigrant peoples. This dissatisfaction often became associated with other motivations in nationalist movements.

Controlled migrations occurred only between regions under the same government or those held by governments of the same nationality, except for a limited migration of Javanese labor to Malaya (and to New Caledonia). In the Netherlands Indies and in Indochina the governments endeavored to transplant groups of laborers from overpopulated to underpopulated areas, but in so doing they learned that the process required careful organization, was expensive, and raised serious economic, social, and psychological problems. Such movements could be effected successfully on a limited scale only. This fact obviated the possibility of their contributing substantially to solution of the problem of overpopulation. As labor supply, such migrations were only temporarily satisfactory, because social and religious ties inclined the workers to return to their home villages immediately upon the expiration of their contracts or even to desert. To stabilize this labor force some of the governments tried after the depression to obtain a better adjusted sex ratio in the migrant population by encouraging the immigration of workers' families and the establishment of agricultural villages—a program too recently initiated to make possible a definite appraisal of its comparative success or failure. In Malaya, with the exception of a few Javanese, planned immigration was confined to Indian laborers. It was arranged and operated jointly by the two British governments concerned. There, however, the depression, the growth in voluntary Indian immigration, and India's ban in 1938 on assisted emigration to Malaya tended to render many of the official controls unnecessary. The unplanned and uncontrolled movement of labor across the Burma-India frontier was the sole migration of its type in Southeast Asia.

The indigenous populations in general hold themselves socially aloof from the alien Asiatics. To the Muslim Malays the Chinese were materialistic, pork-eating idolators; and the Indians, with the exception of the small Islamic minority, were similarly disdained, though regarded as less aggressive. To the sinicized Annamites, the Burmese, and the Siamese,

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religion was no barrier between themselves and the Chinese; all were Buddhists, though of differing sects. Chinese culture had long been admired by the peoples of Farther India, and had influenced them. Moreover, the Chinese were regarded as distant and desirable relatives. With the advent, however, of Chinese women and the accelerated growth of Chinese nationalism after the first world war, intermarriage occurred less frequently (though it continued to be common in Burma and Cambodia), and the indigenous peoples had few social contacts with the Chinese in their midst. The cleavage between the ethnic groups was further widened in the British colonies by the official policy of representation of various communities on legislative and advisory bodies.

Economically, relations between the indigenous and the immigrant peoples altered from a mosaic of non-conflicting occupations to one of rapidly increasing competition. For years the native peoples had contentedly seen the arrival of thousands of immigrants annually who were able and willing to perform the hard labor for which they themselves had neither inclination nor compulsion. Through much of the region, however, during the inter-war period an indigenous proletariat was developing as a result of the transfer of farm land from the indebted native peasantry to non-agriculturists, often to alien moneylenders, and also because of the growth of a Western-inspired individualism which was weakening family ties once paramount. The trend was apparent chiefly in parts of Burma, Siam, and Indochina.

This development did not assume significant proportions until the world economic depression, when considerable unemployment arose out of the drop in prices and the curtailment of foreign markets for products of Southeast Asia. The result was a swift increase in the number of natives seeking to return to their villages and, on the other hand, of those forced to seek part-time or full-time employment away from their villages in competition with immigrant laborers for work previously scorned as arduous, monotonous, and underpaid.

Meanwhile the native middle classes for the first time faced a serious unemployment problem. Until the depression years, the opportunities for desirable though moderately paid employment in government or business had seemed to exceed the number of qualified candidates. The depression made it clear that the saturation point had been reached, and each year an increasing number of educated youths would be thwarted in their expectation of employment or, if given a job, in their rise to higher positions. Thus two groups of economically frustrated natives developed simultaneously in numbers and in consciousness in the decade prior to the second world war.

Nascent political factors became significant during that period. The struggles of the Chinese against the Japanese and of Indians against British rule were reflected in the attitudes of the emigrants from those coun-

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Chinese
Indians

tries. Although this was truer of the immigrant Chinese than of the immigrant Indians, the comparative inertia of the latter was compensated for by a more aggressive championship of their cause on the part of their compatriots at home. In the case of Malaya, where the indigenous population was numerically weak and psychologically passive, the Central Indian Association of Malaya and the Congress Party leaders prodded the Government of India to exert pressure upon the officials at Singapore and Kuala Lumpur to grant greater economic and political privileges to the Indians in Malaya. The governments and planters of Malaya, however, with the curtailment in their labor needs resulting from the current cut in rubber export, felt free to resist this pressure, even at the price of the embargo placed in 1938 on emigration to Malaya of assisted Indian labor.

In the case of the Chinese the situation was different. Smaller numbers were employed in the rubber industry and larger ones in mining. More of them were able to graduate from contract labor into other occupations, especially retail business, farming, and small trades. They tended to stay longer because of the insecurity of enterprise in south China. Moreover, the home government was in a much weaker position than that of India to exert pressure on the governments of Malaya. These remained free to regulate at their pleasure the spontaneous flow of Chinese immigrants and to keep watch on the political activities of resident Chinese. In Burma, however, the British authorities were unable to keep the situation so well in hand. Serious anti-Indian rioting broke out in 1938, and the strength of the Burman nationalists in the government (especially after separation from India in 1937) enabled it to negotiate an agreement with India restricting the number of Indian immigrants and permitting the exercise of more control over those domiciled in the country.

In Indochina and the Netherlands Indies the governments were able to keep the immigrant problem from assuming intensity because of the smaller proportion of Chinese in relation to the native populations. In all these countries, however, Chinese laborers suffered somewhat from the bad reputation of those of their countrymen who as merchants and moneylenders had acquired an economic power which differed from that of other aliens in that it affected directly and visibly the welfare of large numbers.

All the governments, including that of Siam, were compelled by public opinion to exert more control over the immigrant minorities. In so doing, they faced unpleasant alternatives. The demand of Chinese and Indian laborers for better working conditions and improved political status was accompanied by a threat to cut off entirely the flow of emigration. Encouraged by nationalist groups, they engaged in strikes and boycotts. If these succeeded, other demands would probably be made; and

the indigenous peoples were not sufficiently willing, numerous, or skilled to replace the immigrant laborers. A higher wage scale, they feared, might compel many firms either to go out of business or to install expensive machinery. Already local nationalists, succumbing to the philosophy of economic self-sufficiency, were demanding intensive programs of government-aided industrialization. If such demands were acceded to, the industrialists and labor leaders in the home country could be expected to protest strongly against the new competition.

In this complex situation, the colonial governments of Southeast Asia gradually yielded to the popular demands, although loath to abandon their traditional function as instruments of capitalist planning in the home countries. With the exception, however, of the embryonic and ineffective industrial programs of the Siamese and Burmese governments and the more constructive policy of the Netherlands Indies for a planned industrialization, none of the countries did much in this direction. None was forced as yet to consider very seriously that change in colonial relationship which would result from general economic development in the world and specifically from the new role that China and India would inevitably play before long in Southeast Asia. The Japanese invasion interrupted the efforts of local governments toward a solution of these labor problems. It also injected new elements into the situation.

2

LABOR ORGANIZATION IN SOUTHEAST ASIA

FOR VARIOUS REASONS an organized labor movement has never developed in Southeast Asia to notable dimensions. In large part this was because of the predominance of alien, transient, and illiterate labor forces, divided—even when of the same nationality—by geographical and linguistic differences. The Indians were further subdivided by caste and religious sect. The Chinese had a far better family, guild, and secret-society organization; but the antagonisms imported as an integral part of these organizations provoked periodic violence. Later the political and gangster elements which operated within their framework impelled all the governments throughout Southeast Asia to control them severely.

National solidarity among the immigrant labor groups was further broken up by the methods of recruitment and management. Agents and foremen exploited their compatriots for their own personal gain, until the governments concerned were gradually and reluctantly forced to intervene. Asiatic agents behaved much as recruiting agents of emi-

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LABOR IN SOUTHEAST ASIA DURING THE JAPANESE OCCUPATION

JAPAN'S TREATMENT of labor throughout Southeast Asia varied according to the military situation, the political relations of Japan with the individual country, and the availability of manpower. Everywhere, however, labor suffered from dislocations, regimentation, and general deterioration in working conditions except for the limited amount of technical training dispensed by the Japanese to create a needed nucleus of skilled workers. The information required to draw a complete picture of the labor situation during the war in each of the countries of this region is not yet available, but from such data as exist—drawn chiefly from former enemy sources—the outlines are reasonably clear. 727 466

By mid-1943 their military position in the Pacific War led the Japanese to alter their policy in Southeast Asia. Labor in the area had not previously been regimented on a nation-wide basis, although attempts to register the available manpower and use it for individual projects had been made as the need arose. But the critical shipping situation, which prevented both exports from Southeast Asia to Japan and imports needed in those countries, of necessity changed the objective of Japanese policy from one of economic exploitation for the benefit of the homeland to maintaining Japanese troops in the area and achieving local self-sufficiency and defense.

In June 1943 new labor measures were widely introduced; these foreshadowed large-scale forced labor and indicated that the Japanese realized that patriotic as well as economic and prestige incentives had to be offered to secure native cooperation. Soon after, the transplanting of laborers from the most populous areas to those requiring workers for defense projects and economic development was systematically undertaken. This policy prevailed until V-J Day at a tempo which kept pace with the worsening military situation of Japan. [166]

Japan's political aims were reflected in marked differences in policy in each of the countries of eastern Asia, and also toward separate groups within each state. The comparatively good treatment meted out to the Siamese derived from Japan's need, for propaganda purposes, to maintain the fiction of Siam's voluntary alliance in the Greater East Asia war. Being unwilling, for political reasons, to coerce masses of Siamese workers, and for economic reasons to rely on their small, unskilled and re- 727 167 464

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727 luctant services, the Japanese imported prisoners of war and Javanese
167 laborers for the construction of the Burma and Kra Isthmus railroads.
Even after the pro-Japanese dictator, Pibul Songgram, had been ousted
●464 by a resistance government, the Japanese tolerated the change so long as
they retained military and economic control over the country.

727 Malaya, on the other hand, received the least favored treatment. The
[464] only country in the area to which the Japanese did not promise "inde-
466 pendence," it was earmarked as a Japanese colony. The Japanese were
faced with a small, foreign labor supply whose special skills were adapted
almost exclusively to the tin and rubber industries. Since they could
utilize only a small proportion of the country's major produce, there
occurred tremendous dislocation and unemployment of labor. The
Chinese, as the largest, most skilled, and most hostile group, were sub-
jected successively to brutal treatment, registration and regimentation,
and transportation to farming colonies on the peninsula. The Indians
were similarly organized along racial lines through the Japanese-spon-
sored Indian Independence Leagues and the Indian National Army.
The Malays escaped the more rigorous forms of coercion because of
their negligible importance as a source of labor.

[167] Despite the tight network of organization developed by the Japanese,
Malaya's labor problem was never satisfactorily solved; guerilla ranks
were strengthened by recalcitrants of all races and eventually the occupy-
ing forces had to import Japanese and Javanese workers in order to
strengthen the defenses of that vitally strategic area.

727 Indochina, thanks to the survival of the French administration until
the Japanese coup of March 1945, was treated only slightly less favorably
466 than Siam. The Japanese found there a more abundant labor supply
than in immediately neighboring countries but were hampered by the
necessity of working indirectly through French officials, by the concentra-
tion of labor in the north, and its antipathy to furthering Japan's war
[167] aims. As in Malaya, the inadequacy and indifference of the local labor
supply compelled the Japanese to import a few thousand Chinese and
Malay coolies as well as some Japanese technicians and supervisors. A
[166] certain number of local laborers were conscripted to work on defense
and industrial projects and an undetermined number of Tonkinese were
transported to work on plantations in the south. Unemployment seems
[464] not to have become a major factor, although as the war progressed there
was a marked shift of agricultural workers to the cities, only partially
offset by the evacuation of some laborers from heavily bombed urban
areas. In common with the other laborers of Southeast Asia, Indo-
chinese workers suffered from coercion and inflation but apparently not
from nation-wide regimentation or transportation to work outside their
own country.

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Indians

Next to the Javanese, the Burmese endured the greatest hardships during the Japanese occupation. Burma was more completely devastated by military campaigns than any other country in the area, and its proximity to India made it Japan's frontier zone. The need to win Burmese cooperation led Japan to grant Burma "independence" on August 1, 1943, and thereafter the local intelligentsia were placated by a Burmanization of the administrative services. But the country's laborers were in a far worse plight than they had been under the British administration. The Indians, whose number in Burma had been halved during the 1942 campaign, were immediately thereafter exposed to persecution by the Burmese. Virtual pogrom conditions in the delta compelled them to flee to Rangoon for Japanese protection and employment. Indian coolies supplied the casual labor needed in the nation's capital, and most of the white-collar class was absorbed into the Indian Independence Leagues and Indian National Army. Burmese laborers, who had long agitated for a restriction of Indian immigration, now found themselves bearing the brunt of Japanese requisitioning, which was represented by the puppet native government as a patriotic service. They had to perform heavy manual labor far from home, for low wages, and under alien and often harsh supervision. They suffered, in addition, from the knowledge that their own fields were neglected and their homes unprotected. Burma was frequently praised by the Japanese for having supplied more cooperative labor service than any other area in the southern regions, but nevertheless Javanese workers had to be brought in.

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Java, with the greatest labor reservoir of the area, was inevitably the country whose manpower was most intensively exploited by the Japanese. As elsewhere in Southeast Asia, the Javanese served as coolie labor for the construction of defense works and means of communication and also were trained by the Japanese for more technical work in shipyards and in factories. They were shipped by the thousands to areas outside their island as local needs and the exigencies of the military situation dictated.

727 466 167

Originally the Japanese planned to perpetuate, on a far vaster scale, Dutch colonization schemes in Sumatra; in this they not only encountered the same obstacles as had their predecessors, but they found they could exploit all of the island's resources they could use with the manpower and machinery locally available. In mid-1943 they seem to have transferred the plan to Borneo, where additional labor was required to develop such local industries as timber. Many hundreds of male Javanese workers were shipped to Borneo, while smaller groups were sent to other areas.

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Unemployment during the Japanese occupation was serious only in Malaya. Elsewhere the defense and economic programs of the Japanese,

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727 464 together with the curtailment of alien Asiatic immigration, afforded plenty of jobs for those who were willing, or were forced, to work for wages paid in inflated currency.

727 433 464 In the food-surplus countries—Burma, Siam, and Indochina—which were also those receiving the most favored political treatment at the hands of the Japanese, the areas under rice and allied crops declined. The decrease in the number of draft animals through disease and Japanese requisitioning; the lack of implements; and, above all, the loss of former export markets caused the local farmers to cultivate very little more than their families required, and there was a marked exodus from the agricultural communities to the cities or places of more remunerative employment. In the countries of food deficiency—Malaya and the Outer Islands of the East Indies—the Japanese made great efforts and probably succeeded in increasing the area under food-crop cultivation, but never to the point of self-sufficiency. The Japanese also arbitrarily prohibited certain industries as "nonessential" and shifted the workers to others accordingly.

727 465 Very little information is available as to the wages paid during the Japanese occupation. Where local labor was limited and native goodwill was sought, as in Siam, the Japanese seem to have paid high wages from the outset. In densely populated areas like Java, wages were reportedly decreased immediately after the occupation. In time, and with the ever greater need for additional labor services, the Japanese permitted successive wage rises. But nowhere did wage increases keep pace with the more rapidly rising cost of living and they had to be supplemented by allowances, medals, and words of praise. The groups that suffered most from this disparity were the Asiatic government-servant and white-collar class, whose numbers had always exceeded the demand and whose services were far less necessary to the Japanese than was manual labor.

727 466 468 Labor legislation was passed only in negative measures of regimentation and outlawing of strikes. Nevertheless, reports of strikes periodically filtered through the barrage of Japanese propaganda, particularly a few that took place in Indochina and Burma. Most of them registered grievances against low pay, high living costs, and heavy taxation, but some were doubtless of a political character—difficult to distinguish from sabotage. Following one strike in 1943, the Cochin-China police arrested a number of "communists." In Malaya and Indonesia, control by the Japanese military and naval forces was not exercised through any native administration, and the strictness of their rule seems to have precluded any possible recourse to the strike weapon.

727 466 In Burma, Malaya, and Indonesia the Japanese set up a bewildering array of organizations into which the local peoples were regimented by communal, occupational, religious, sex, and age groups. Not only did

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467 try, depending on the stage of development reached before the war, the quality of leadership during and after the Japanese occupation, and the degree of authority and stability achieved by the present governments.

While politics are the overwhelming preoccupation everywhere, Indochina and Indonesia have been the scenes of almost continuous warfare since V-J Day and have been unable—judging from the limited information available—to produce strong, cohesive labor movements. Siam, although not badly damaged by Allied bombing, has been absorbed in achieving administrative stability amid internal political rivalries and in maintaining its sovereign status internationally. The basic reasons which prevented the prewar labor movement in Siam from evolving beyond the embryonic stage remain valid. The greatest progress has been made in Burma and Malaya, where labor movements were comparatively well delineated before the war and where subsequent conditions have combined to further their growth.

467 Nowhere in the area has a labor movement developed without political implications and inspiration. Nationalism, in the embrace of so-
668 cialism or communism, has been its guiding and dominating force.
186 Political leaders have worked upon laborers as the only have-not group in an area where the majority of the inhabitants are cultivators who possess, or aspire to possess, their own land. It is not accidental that peasant unions have been organized only in Burma, the sole country of the region where absentee and non-agriculturist landlordism has flourished and where there is marked ethnic homogeneity. Labor shortages exist everywhere as a result of the wartime cessation of immigration and the depletion and displacement of existing labor forces, and are aggravated by the desire of business firms to resume their export trade as quickly as possible.

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These factors have placed labor in a particularly favorable position. While laborers remain on the whole almost as inarticulate and as closely identified with the mass of the population as before the war, they have acquired a new political consciousness and a sense of their own indispensability, as well as a more aggressive leadership. Everywhere their economic grievances derive from the growing disparity between increasing wages and more rapidly rising living costs and from the absence of consumer goods and adequate housing in urban areas. Their political objectives are those assigned to them by nationalist or communist leaders, who are using labor as the best spearhead available locally for the achievement of their own goals.

467 At the present time Malaya and Burma have the only labor move-
464 ments in the area worthy of the name. Their prewar economies differed widely—Malaya's resembling that of Sumatra more than Burma—but their metropolitan power is parallel and both are committed to a pro-labor policy. They are the two countries of Southeast Asia which have

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been traditionally most dependent on imported labor and their prewar labor movements were the most highly developed of any throughout the region.

Nevertheless, the labor movements in these two countries have taken different paths. Burma is made up of one predominant race, overwhelmingly agricultural and guided by strong nationalist leadership. Development of solidarity among Malaya's laboring class has been retarded by the tripartite ethnic composition of its population and by the country's traditional dependence upon two export industries. Accordingly, Malaya's labor movement has developed schismatic tendencies bordering on mutual hostility and has been influenced by alien Asiatic leadership. While in both countries the British Government has not as yet formulated any policy toward immigrant workers and has thus played into the hands of labor, already in short supply, the effects in the two countries have been quite different. Because of Malaya's lack of a self-sufficient economy, its laborers are in a more favorable position to press their demands. At the same time they suffer from serious internal weaknesses not found in Burma. The government and private firms in Malaya—if the planting-mining economy is to survive—will have to make greater concessions in order to reconstitute an adequate labor force than will the analogous authorities in Burma and Siam.

The special composition of Malaya's population and the organization of its industries are probably responsible for the development of its labor movement from many small unions, organized by subdivisions within trades, into a central association. This pyramidal set-up has been turned upside down in Burma, where labor was at first organized on a very broad basis and then divided into smaller units. In both areas the British Government has been making a marked effort to foster labor unions and at the same time to divorce them from political programs and ideologies. But since the nationalists throughout the area have chosen the labor movement as their chief medium for the achievement of the socio-political revolution they desire, it is unlikely that this attempt will prove successful. The laborers of Southeast Asia still feel themselves to be, above all, members of their own national or ethnic communities and have only secondarily developed a consciousness of a class apart. The whole area is too little industrialized to be fertile ground for a labor movement, strictly speaking. When trade unionism is discussed in referring to the labor movements now budding in Southeast Asia, it should be borne in mind that little more than its nomenclature has been borrowed from Occidental labor organization.

Throughout Southeast Asia the various governments have begged two outstanding questions affecting local labor problems—agricultural indebtedness and land tenancy, and the control of Asiatic immigration. In regard to the former, nothing has been done thus far and one can